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## POLITICO's New Health Care Arena

### CBO crunch: How significant?

Thurs, noon, discuss with Heritage's [Nina Owcharenko](#)

### Yesterday's Health Care Arena [is here](#)

Oct. 8, 2009

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**Michael F. Cannon**, Cato, Dir. of Health Policy Studies:

Mr. Baucus' bill would cost more than \$2 trillion. It would expand the deficit. But he has carefully and methodically hidden those facts – so well that **he has completely hoodwinked nearly all the major media.**

The media are **reporting** that the Baucus bill would reduce the deficit by \$81 billion over 10 years. Wrong.

The Baucus bill assumes that Congress will allow the “sustainable growth rate” cuts in Medicare’s physician payments to occur beginning in 2012. Yet Congress has routinely and repeatedly **blocked** those cuts, making Baucus’ assumption preposterous. The CBO handled the issue delicately, but essentially said, “Sure, provided that the sun rises in the West in 2012, then yes, this bill would reduce the deficit.”

That means Baucus will come up at least \$200 billion short on the revenue side, making his bill a budget-buster.

The media are reporting that the Baucus bill would cost just \$829 billion over 10 years. Wrong.

As Donald Marron observes, that number omits as much as \$75 billion in new federal spending. It also omits a \$33 billion unfunded mandate on state governments.

But the worst part is that the Congressional Budget Office’s **preliminary cost estimate** omits the cost of the private-sector mandates in the Baucus bill. In Massachusetts, those costs accounted for **60 percent of the total cost of reform.** That suggests the actual cost of the Baucus bill – \$829 billion plus \$75 billion plus \$33 billion, times 2.5 – is well over \$2 trillion.

Yet the CBO score pretends those costs aren’t even there. It’s like a mystery novel that’s missing the last 50 pages. And the media aren’t even curious.

In the words of Brad DeLong, why oh why can’t we have a better press corps?

**Cross-posted at [Cato@Liberty](#).**

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